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INDEPENDENT ACCOUNTANT'S REPORT ON
MONTANA CASH DRAWINGS

Montana State Lottery

June 30, 2009

09C-02



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CONTENTS

Transmittal Letter from the Legislative Audit Division.....	1
Listing of the Commission Members and Administrative Officials	2
Introduction, Background, and Reportable Observations.....	3
Independent Accountant’s Report on Applying Agreed-Upon Procedures	4-5
Statement of Montana Cash Winning Numbers	6-8



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LEGISLATIVE AUDIT DIVISION

Tori Hunthausen, Legislative Auditor
Monica Huyg, Legal Counsel



Deputy Legislative Auditors:
James Gillett
Angie Grove

August 2009

The Legislative Audit Committee
of the Montana State Legislature:

Enclosed is the report on the audit of Montana State Lottery Observations for the fiscal year ended June 30, 2009.

The audit was conducted by Galusha, Higgins & Galusha, PC, under a contract between the firm and our office. There are no recommendations in this report.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Tori Hunthausen".

Tori Hunthausen, CPA
Legislative Auditor

09C-02

Montana State Lottery
COMMISSION MEMBERS AND ADMINISTRATIVE OFFICIALS
June 30, 2009

COMMISSION MEMBERS

Robert Crippen, CPA, Chairperson

Beth O'Halloran

Craig Anderson, Sheriff

Thomas M. Keegan, Attorney at Law

Wilbur Rehman

RESIDENCE

Butte

Missoula

Glendive

Helena

Helena

ADMINISTRATIVE OFFICIALS

George Parisot, Montana State Lottery Director

John Tarr, Montana State Lottery Director of Security

Montana State Lottery
INTRODUCTION, BACKGROUND, AND REPORTABLE OBSERVATIONS
June 30, 2009

INTRODUCTION

We performed the following agreed-upon procedures for the Montana State Lottery for the year ended June 30, 2009:

- 1) Witnessed and reported on each Montana Cash drawing;
- 2) examined all lottery drawing equipment prior to and after each drawing; and
- 3) tested compliance with applicable statutes and regulations.

BACKGROUND

The Montana State Lottery was created in November 1986 by a referendum vote of the people of Montana. The "Montana State Lottery Act of 1985" rules and subsequent changes are contained in Chapter 669 of the Montana Session Laws and Title 23, Chapter 7, of the Montana Code Annotated. The general purpose of the law is to allow lottery games in which players purchase from the State, through the administration of the Montana State Lottery, a chance to win a prize.

REPORTABLE OBSERVATIONS

In addition to the independent Accountant's report on agreed-upon procedures, we are to report on serious inadequacies in operating controls and procedures, activities not authorized by the legislature, and our recommendations to the State and the Montana State Lottery. We have nothing to report in those areas.

INDEPENDENT ACCOUNTANT'S REPORT ON APPLYING AGREED-UPON PROCEDURES

To the Commissioners
Montana State Lottery
Helena, Montana

We have performed the procedures enumerated below, which were agreed to by the Montana State Lottery and the Montana Legislative Audit Division with respect to the Montana Cash drawings of the Montana State Lottery for the year ended June 30, 2009. The Montana State Lottery is responsible for the Montana Cash drawing. This agreed-upon procedures engagement was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. The sufficiency of the procedures is solely the responsibility of the specified users of the report. Consequently, we make no representations regarding the sufficiency of the procedures below either for the purpose for which this report has been requested or for any other purpose.

The agreed-upon procedures were designed to review the applicable rules as developed by the Montana State Lottery to determine that such rules are adequate to insure:

All drawings are conducted in accordance with applicable rules and regulations.

All drawings are conducted in a secure, honest and fair manner.

The procedures we performed and our findings where applicable are summarized as follows:

1. We read the "Montana Cash Drawing Procedures." In performing this and other steps of our procedures, we gave consideration to the adequacy of controls over the drawing process.
2. We observed the disarming and unlocking of the machine cabinet and determined that the seal on the machine cabinet door was unbroken and that the seal was numbered the same as the seal placed there when we were last present.
3. We observed the random selection of the primary and back-up Automated Draw Machine (ADM).
4. We observed the pre-test, and determined that the applicable procedures were followed.
5. We observed the official "Montana Cash" drawings and determined that the applicable procedures were followed.
6. We observed the resealing of the ADM, machine cabinet door and re-arming the machine cabinet.

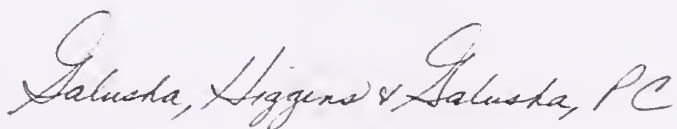
To the Commissioners
Montana State Lottery

We have furnished the Legislative Audit Division with a summary letter after each drawing stating that the Montana Cash drawings were performed and observed by us. The letters would include any unusual occurrences or deviations from the established rules and procedures.

No exceptions were found as a result of applying the above procedures.

We were not engaged to and did not conduct an examination, the objective of which would be the expression of an opinion on the Montana Cash drawing procedures for the year ended June 30, 2009. Accordingly, we do not express such an opinion. Had we performed additional procedures, other matters might have come to our attention that would have been reported to you.

This report is intended solely for the information and use of the Montana State Lottery and the Montana Legislative Audit Division and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Galusha, Higgins & Galusha, PC".

GALUSHA, HIGGINS AND GALUSHA, PC
Certified Public Accountants and Advisors

Helena, Montana
June 28, 2009

Montana State Lottery
 STATEMENT OF MONTANA CASH WINNING NUMBERS
year ended June 30, 2009

The following Montana Cash drawings were held twice a week, Wednesdays and Saturdays, at Lottery Headquarters, Helena, Montana. The winning numbers were:

<u>Date</u>	<u>Winning Numbers</u>				
July 2, 2008	2	29	9	17	35
July 5, 2008	12	18	32	31	22
July 9, 2008	8	14	15	19	26
July 12, 2008	13	26	2	17	22
July 16, 2008	18	26	35	11	14
July 19, 2008	24	11	7	6	3
July 23, 2008	26	14	9	30	12
July 26, 2008	13	15	5	20	19
July 30, 2008	11	1	5	7	36
August 2, 2008	19	36	14	25	13
August 6, 2008	33	24	6	28	27
August 9, 2008	33	31	4	17	11
August 13, 2008	21	24	19	15	2
August 16, 2008	2	5	6	19	33
August 20, 2008	2	3	4	34	28
August 23, 2008	2	29	22	3	21
August 27, 2008	1	22	7	32	26
August 30, 2008	37	27	35	31	19
September 3, 2008	13	7	6	25	15
September 6, 2008	27	4	22	32	37
September 10, 2008	24	12	15	2	25
September 13, 2008	37	15	6	31	28
September 17, 2008	26	27	1	6	11
September 20, 2008	9	31	16	10	36
September 24, 2008	33	9	27	34	4
September 27, 2008	14	3	13	23	34
October 1, 2008	31	24	21	6	36
October 4, 2008	27	19	23	13	20
October 8, 2008	3	34	33	15	4
October 11, 2008	28	8	13	14	17
October 15, 2008	11	21	27	23	7
October 18, 2008	16	4	11	32	15
October 22, 2008	33	28	29	36	3
October 25, 2008	30	31	22	3	4
October 29, 2008	1	25	26	35	29

Continued

Montana State Lottery
STATEMENT OF MONTANA CASH WINNING NUMBERS
year ended June 30, 2009

<u>Date</u>	<u>Winning Numbers</u>				
November 1, 2008	15	26	5	13	17
November 5, 2008	9	14	16	20	33
November 8, 2008	26	17	36	12	1
November 12, 2008	30	15	12	26	6
November 15, 2008	13	9	11	31	12
November 19, 2008	5	23	21	17	10
November 22, 2008	21	34	2	23	20
November 26, 2008	21	26	11	1	33
November 29, 2008	31	7	5	14	11
December 3, 2008	27	9	29	30	22
December 6, 2008	15	32	12	21	25
December 10, 2008	12	30	3	28	9
December 13, 2008	6	7	22	9	11
December 17, 2008	1	9	16	19	25
December 20, 2008	27	16	30	4	24
December 24, 2008	5	36	2	7	18
December 27, 2008	29	31	27	28	11
December 31, 2008	32	5	11	7	3
January 3, 2009	1	35	37	23	17
January 7, 2009	35	33	32	8	15
January 10, 2009	8	3	17	29	26
January 14, 2009	21	4	14	6	15
January 17, 2009	12	3	16	6	35
January 21, 2009	1	21	20	8	31
January 24, 2009	36	18	12	35	3
January 28, 2009	34	16	35	29	20
January 31, 2009	36	34	23	31	32
February 4, 2009	13	10	26	5	34
February 7, 2009	11	30	16	3	32
February 11, 2009	14	25	21	22	33
February 14, 2009	31	25	27	8	16
February 18, 2009	30	16	3	22	31
February 21, 2009	3	27	32	22	35
February 25, 2009	29	37	28	36	25
February 28, 2009	3	21	37	13	30

Continued

Montana State Lottery
STATEMENT OF MONTANA CASH WINNING NUMBERS
year ended June 30, 2009

<u>Date</u>	<u>Winning Numbers</u>				
March 4, 2009	10	36	20	34	30
March 7, 2009	28	26	35	5	37
March 11, 2009	2	14	19	26	8
March 14, 2009	27	16	21	17	2
March 18, 2009	11	18	2	22	29
March 21, 2009	20	28	9	8	5
March 25, 2009	22	6	1	27	16
March 28, 2009	33	27	21	15	1
April 1, 2009	19	35	28	7	11
April 4, 2009	23	32	34	31	8
April 8, 2009	30	26	35	4	10
April 11, 2009	19	3	29	23	27
April 15, 2009	31	26	8	16	17
April 18, 2009	7	32	19	5	15
April 22, 2009	12	17	16	7	35
April 25, 2009	33	4	28	2	9
April 29, 2009	4	31	18	15	19
May 2, 2009	33	29	32	10	8
May 6, 2009	24	19	13	12	36
May 9, 2009	13	26	8	22	12
May 13, 2009	1	25	2	7	17
May 16, 2009	20	31	24	21	6
May 20, 2009	19	26	9	33	30
May 23, 2009	7	16	19	24	10
May 27, 2009	12	8	19	26	33
May 30, 2009	19	25	6	30	21
June 3, 2009	28	13	30	19	31
June 6, 2009	35	8	30	18	20
June 10, 2009	27	9	7	5	26
June 13, 2009	34	33	3	7	28
June 17, 2009	10	13	34	9	19
June 20, 2009	37	16	1	2	29
June 24, 2009	37	8	7	3	36
June 27, 2009	8	20	6	16	13

Concluded

